by the Directorate of Exemption, Mumbai or has been filed before the Assessing Officer.

(e) Does not arise.

Exemption of imported vegetable oil from Sri Lanka

†3990. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether vegetable oil imported from Sri Lanka is exempted from duty under the Indo-Sri Lanka Free Trade Agreement;

(b) whether it is adversely affecting the vegetable oil produced by Indian Vegetable Oil Industry and on the revenue of the Central Government; and

(c) if so, steps proposed to be taken to rectify it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Hydrogenated vegetable oils commonly known as vanaspati imported from Sri Lanka attracts nil customs duty as per commitments under Indo-Sri Lanka Free Trade Agreement, however, it is subjected to 4% additional duty of customs.

(b) and (c) Hydrogenated vegetable oil industry has been complaining about the adverse effects of duty free import from Sri Lanka. Imports at zero customs duty will have an effect on revenue, but such imports are governed by Indo-Sri Lanka Free Trade Agreement. This exemption is, however, subject to fulfillment of domestic value addition of 35% and change of tariff heading at 4-digit level.

Central fund for welfare of disabled people

3991. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Supreme Court created a central fund for the welfare of disabled people under the chairmanship of Comptroller and Auditor General, wherein over Rs. 723 crores would be deposited annually from the money illegally accumulated by Banks by rounding off interest rates payable by borrowers;

† Original notice of the question was received in Hindi.

(b) whether Supreme Court also directed each Bank to contribute Rs. 50 lakhs annually in this fund; and

(c) the details of schemes implemented and amounts released so far towards the welfare of disabled people through this Central Corpus Funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) In the matter of Indian Bank's Association and others Vs Devkala Consultancy Services & Others in SLP (c) 6594 of 1999, the Hon'ble Supreme Court had, in its judgement dated 16.04.2004, *inter-alia,* ordered that excess interest collected by the Banks from the borrowers should be recovered from the Banks and be credited to a Trust to be created for the benefit of disadvantaged people. The Court also ordered that Comptroller & Auditor General of India (C&AG) should effect the recovery and act as Chairman of the Trust to be set up with the funds of the excess interest and interest tax, with Law Secretary and Finance Secretary as Trustees. The Hon'ble Court had also directed that each concerned Bank shall contribute to the extent of Rs. 50 lakh to the said Trust. To implement the judgement of the Hon'ble Supreme Court, Government has advised all concerned Banks to calculate the excess amount of interest collected by them from the borrowers and keep funds readily available for remittance to the Trust, in accordance with the said Order of the Hon'ble Court.

(c) The question of formulation/implementation of the schemes would arise only after creation of Central Corpus Fund.

Corruption in sanctioning of loans by Banks

3992. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that most of the loans are sanctioned by commercial, regional, rural and co-operative Banks in the country on bribe basis;

(b) whether the World Bank and National Council of Applied Economic Research (NCAER) have conducted any study in this regard; and

(c) if so, the details thereof and the remedial steps taken by Government to check such corruption?